

COMMONWEALTH OF KENTUCKY
CABINET FOR HEALTH AND FAMILY SERVICES
DEPARTMENT FOR MEDICAID SERVICES

IN RE: PHARMACY TAC

February 10, 2021
1:00 P.M.

(All Participants Appeared Via Zoom or Telephonically)

APPEARANCES

Ron Poole
CHAIR

Matt Carrico
Paula Straub
Rosemary Smith
Meredith Figg
Philip Almeter
TAC MEMBERS

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APPEARANCES
(Continued)

Stephanie Bates
Jessin Joseph
Angela Parker
Sharley Hughes
MEDICAID SERVICES

(Court Reporter's Note: At the request of DMS, all other participants appearing via Zoom or telephonically will not be listed under Appearances.)

AGENDA

1. Recommend a reimbursement model for:
 - a. Specialty pharmacy: From the attached document:
The mean specialty drug cost of dispensing was \$73.58 (interquartile range \$40.12 to \$86.48) for specialty pharmacies, defined as pharmacies with at least 10% of their prescription volume from specialty drugs. For the purposes of this study, specialty accreditation status, pharmacy format (walk-in or central fill), and other characteristics were not used to define a respondent as a specialty pharmacy.
 - b. Compounded prescriptions.
 - Non Sterile Compounding

SIMPLE: There are 3 types of simple nonsterile compounded preparations (NSCPs):

1. The NSCP has a USP compounding monograph. There are just over 170 USP compounding monographs.
2. The NSCP appears in a peer reviewed journal article that contains specific quantities of all components, compounding procedure and equipment, and stability data for that formulation with appropriate Beyond Use Dates (BUDs).
3. Reconstituting or manipulating commercial products that may require the addition of one or more ingredients as directed by the manufacturer. This type of simple NSCP does not require any further documentation such as a Compounding Record.

MODERATE: There are 2 types of moderate NSCPs:

1. The NSCP requires special calculations or procedures, such as calibration of dosage unit mold cavities, to determine quantities of components used in the NSCP or in individualized dosage units.
2. The NSCP does not have specific stability data available. For example, mixing two or more manufactured cream products when the stability of the mixture is not known.

COMPLEX: The NSCP requires special training, environment, facilities, equipment, and procedures to ensure appropriate therapeutic outcomes. Examples of complex NSCP may include some transdermal dosage forms, modified-release NSCPs, and some inserts and suppositories for systemic effects.

AGENDA
(Continued)

- o Simple (AWP of Active Pharmaceutical Ingredients (API's) + \$15.00)
- o Moderate (AWP of API's + \$25.00) (2 to 3 API's)
- o Complex (AWP of API's + \$40.00) (4 or more API's)
 - Sterile Compounding

Low-Risk with \leq 12-hour Beyond Use Date (BUD)
(Non-Hazardous) (AWP of API's + \$30.00)

Low-Risk (Non-Hazardous) (AWP of API's + \$30.00)

Medium-Risk (Non-Hazardous) (AWP of API's + \$40.00)

High-Risk (Non-Hazardous) (AWP of API's + \$50.00)

Hazardous Drugs (AWP of API's + \$75.00)

2. Appeal process for claims not reimbursed per contract or below acquisition cost
 - a. Appeal to drug manufacturers
 - b. Appeal to MCO PBM
 3. The dispensing fee is a recommended reimbursement rate per prescription based on different prescribers prescribing limitations. Pharmacy will not be penalized for dispensing multiple times per month due to providers' prescribing limitations
 4. The audit provision of the contract will be in accordance to Kentucky PBM audit statutes and will be the same for all pharmacy types. One pharmacy type cannot have a no audit contract and other types have audits in their contracts.
- ** Exceptions can be made when true audits are justified such as:
- a. Suspected over dispensing of controlled substances
 - b. Suspected drug diversion
 - c. No typing or clerical errors will be eligible for audits
 - I. Invalid days supply had to be entered due to insurance or PBM data entry limitations
 - ii. No invoice or inventory comparison audits

<2020 Cost of Dispensing Study

NACDS-NASP-NCPA-COD-Report-01-31-2020-Final.pdf>

AGENDA
(Continued)

5. Medimpact encouraged to pay for low cost OTC medications to assist Kentuckians in affording much needed nutritional supplementation and medication assistance. Increasing the OTC formulary will save the cabinet by paying for OTC products that are cheaper than legend drug alternatives.
6. MCO not paying for pain medications unannounced
7. Adjourn

1 MR. POOLE: From what I can see
2 here, we've got everybody except Jill as far as our
3 PTAC Committee. I just want to welcome everybody. I
4 call the meeting to order.

5 It's kind of a lengthy agenda
6 but I think we can get through it. Our biggest goal,
7 we want to make recommendations that I will present
8 or somebody present to the MAC at their next meeting.

9 And, then, we have Jessin on
10 here today and maybe Fatima is on here, too - I don't
11 see her yet - to where we could get some answers on
12 what's going on currently right now but that's later
13 in the agenda.

14 So, the first item is to
15 recommend a reimbursement model for specialty
16 pharmacy. I have a gentleman on the phone who has
17 raised his hand to say something because he does have
18 a specialty pharmacy.

19 So, Chris, if you can unmute
20 yourself and express your thoughts on the
21 reimbursement model for specialty pharmacy.

22 DR. HARLOW: Thank you so much,
23 Chair Poole. So, really I'm coming today because
24 we're seeing an issue with some Hepatitis C
25 treatment. So, our pharmacists----

1 MS. HUGHES: Chris, could you
2 identify yourself just for the court reporter,
3 please?

4 DR. HARLOW: Absolutely. My
5 name is Chris Harlow, the Director of Pharmacy
6 Services at St. Matthews Community and Speciality
7 Pharmacy.

8 MS. HUGHES: Thank you.

9 DR. HARLOW: Thank you. So, at
10 St. Matthews Pharmacy, we have a robust substance use
11 disorder treatment program. And because of that
12 treatment program, really we've been doing a lot of
13 care coordination and screening for all the treatment
14 for patients with Hepatitis C, but we're starting to
15 see a concerning trend, particularly with the
16 reimbursement of the brand name medication Epclusa.

17 So, I'm really coming today to
18 make a recommendation that we add the brand name
19 Epclusa as the preferred agent on the MCO Medicaid
20 PDL.

21 Right now, we're seeing the
22 Epclusa authorized generic and the reimbursement
23 rates are really pretty horrific in terms of trying
24 to get patients access. Providers really do prefer
25 Epclusa as the medication over Mavyret for some

1 clinical reasons which I'm happy to go into if you
2 request that, but really we're seeing more
3 prescribers prefer Epclusa, but, unfortunately, we're
4 just not able to get patients onto the Epclusa
5 because of the concerned authorized generic.

6 So, we are making a
7 recommendation that we add the brand name Epclusa as
8 the preferred agent on the MCO Medicaid PDL.

9 MR. POOLE: And, Jessin, if you
10 don't mind to make a comment there about how often
11 does the - of course, the DMRB has not met for years
12 but the Pharmacy and Therapeutics Committee, how
13 often do they meet?

14 DR. JOSEPH: That's a great
15 question, Chair Poole. Dr. Harlow, first of all,
16 thank you for bringing this to our attention.

17 This is where the P&T Committee
18 comes into play. I think the concern that you're
19 bringing up is well-documented here. I'm certainly
20 going to take this back, but this is really something
21 where we would be discussing with providers,
22 pharmacists, manufacturers, the general public really
23 at the P&T meeting.

24 So, Chair Poole, I think this
25 is where you were going. We meet four times a year,

1 the P&T Committee does for the State of Kentucky.
2 Right now, as you might know, it's the fee-for-
3 service PDL that's really dictating where the
4 preferred and non-preferred status of these products
5 are for the MCOs as well.

6 I was just pulling it up. Give
7 me two seconds and I'll tell you that the Hepatitis C
8 products are reviewed as a class at the March P&T
9 meeting. So, this coming, March, I believe it's the
10 18th, is when the class will go up for review.

11 And, again, this might be a
12 good avenue for me to just kind of speak on P&T in
13 general for everybody because, again, the PDL will
14 now go off the P&T.

15 So, Magellan is contracted with
16 the State to handle the P&T Committee. And, so, what
17 they do is they solicit bids from manufacturers for
18 rebates essentially and there is a process in terms
19 of ensuring that we do have a federal rebate for all
20 covered products. So, the Epclusa brand is on there,
21 Mavyret is on there, Epclusa authorized generic is on
22 there as well.

23 From there, we will evaluate
24 both cost and clinical effectiveness and determine
25 where the product needs to lie.

1 We take this information and we
2 essentially present this information to the P&T
3 Committee. Again, Magellan is contracted to do this.

4 So, their staff pharmacist for
5 the State is the one who really runs the P&T
6 Committee meeting, and the committee themselves will
7 be able to take a look at the cost sheets. They'll
8 be able to take a look at the clinical considerations
9 and, then, they will make the final recommendation to
10 the Commissioner who is the final sign-off for
11 everything.

12 And, so, Dr. Harlow, one thing
13 that I can recommend is we certainly would love to
14 have you at the P&T Committee to speak on this. I
15 think the P&T Committee would appreciate it as well.

16 To be honest, the fee-for-
17 service population is a lot smaller than the MCO one,
18 so, we don't get as much turnout as we would like,
19 but I think, again, the move to the single PDL, our
20 expectation is our participation is going to
21 increase.

22 So, if you're amenable to that,
23 I will certainly add you to the list. I think you'll
24 just have to fill out a short form designating
25 exactly what you said really, where you work and your

1 position and, then, we can make sure you're on the
2 list.

3 DR. HARLOW: Thank you very
4 much. I appreciate that.

5 DR. JOSEPH: Certainly.

6 MR. POOLE: Thanks, Chris.
7 Okay. As far as setting a reimbursement model or
8 having a recommendation for - and I apologize. I'm
9 working from home and I have two dogs and, of course,
10 the UPS driver just pulled up, so, they will be
11 barking here. So, I apologize.

12 But, anyway, in all the
13 documents that are available out there, and I've
14 provided those and sent those to all of you, that
15 range that's in that 1a there, that \$40.12 to \$86.48,
16 that was the highs and the lows for specialty
17 pharmacy dispensing fees.

18 And, of course, I've spoken to
19 Jill Rhodes, now the Board of Pharmacy president,
20 about having issues with specialty pharmacy and how
21 much requirements and REMS are required to get to
22 even to where they can dispense the product. So,
23 there's a lot of expense that goes along and the
24 administrative fees with this.

25 So, I didn't know if somebody

1 had a recommendation. I've been trying to do my
2 research behind the scenes. I know Jill McCormack
3 had made some recommendations before on her studies.

4 So, anyway, would anybody like
5 to comment on that reimbursement model for a
6 specialty pharmacy as a recommendation to the MAC?

7 DR. ALMETER: This is Philip
8 Almeter. I ran this by my team on the specialty
9 pharmacy at UK and that sounded very consistent to
10 what we are seeing in some of the market----

11 COURT REPORTER: Can you speak
12 up, please?

13 DR. ALMETER: Yes. This is
14 Philip Almeter with the University of Kentucky. I
15 ran that number by our team and they said that that's
16 within the range of what we're seeing with many
17 payors.

18 MR. POOLE: And you're talking
19 about the \$73.58?

20 DR. ALMETER: Correct.

21 MR. POOLE: Okay. Paula or Matt
22 or Rosemary or Meredith, do you have a comment on
23 this?

24 MR. CARRICO: This is a little
25 bit out of my expertise. I wouldn't mind hearing

1 what Chris Harlow has to say since I know he's also a
2 specialty.

3 MR. POOLE: Right.

4 DR. HARLOW: Thank you. So, St.
5 Matthews Specialty Pharmacy had sent over a
6 recommendation October 24th. I'm not sure if you
7 guys have that available or not, but our
8 recommendation on specialty was Wholesale Acquisition
9 Cost plus 0%, dispensing fee - I'm sorry - flat or
10 0% plus a dispensing fee of \$50.

11 And, then, number two is that
12 Average Sale Price, ASP, plus 6% on the blood-
13 clotting factors and that was based on research that
14 we have done nationally with Medicaid plans across
15 the U.S.

16 MR. POOLE: Chris, do you mind
17 to elaborate on what your requirements are to educate
18 those of us who are not specialty pharmacy?

19 DR. HARLOW: As far as how to
20 classify specialty medications?

21 MR. POOLE: Well, as far as time
22 constraints, time demands, administrative work that
23 you put into each claim.

24 DR. HARLOW: Sure, absolutely.
25 I think the most important thing to remind everyone

1 is to be a specialty pharmacy requires one or not two
2 specialty accreditations. So, if you look up
3 national accreditations like ACHC, and, you're right,
4 obviously there's time and expense there that's
5 really not factored into dispensing fees with your
6 traditional community-based pharmacy, plus the care
7 coordination.

8 You're using pharm technicians
9 but you also may be using patient care coordinators,
10 so, it's additional staff to ensure that patients get
11 access to the high-dollar medications, plus you
12 factor in shipping.

13 A lot of the contracts do
14 require pharmacies to be closed door and do shipping.
15 So, this is the standard across specialty pharmacies
16 that they do cold chain shipping, then, you have
17 processes in place where you test the shipping. It's
18 not just throwing it in to a mailer and sending it
19 out. It really does require use of controlled
20 temperatures and making sure you're testing those
21 controlled temperatures.

22 So, there are a lot more
23 expenses going in than you typically see with your
24 traditional community pharmacy.

25 MR. POOLE: Do you feel that if

1 we went with a standard of the \$73.58 that was done
2 with a study that was approved by NACDS, NCPA and
3 APHA, do you feel that in order to streamline it and
4 I guess make it as simple as possible, do you feel
5 that would be acceptable on the blood-clotting
6 factors also?

7 DR. HARLOW: The blood-clotting
8 factors we made a recommendation based on just
9 national averages, but are you saying do a WAC plus
10 zero plus the \$73.58 dispensing fee? I'm sorry.

11 MR. POOLE: Yes.

12 DR. HARLOW: Okay. Yes. We
13 were making a recommendation to be conservative that
14 \$50 to \$75 we thought was reasonable.

15 MR. POOLE: Okay. Any other
16 comments from any of the committee members? And if
17 there are no comments, is there any action that you
18 would like to take?

19 DR. JOSEPH: Chair Poole, is
20 that for me or is that for the committee?

21 MR. POOLE: That's for the
22 committee to either make a motion, or if a motion is
23 not made, then, there's no action taken on this topic
24 and we move on to the next item.

25 DR. ALMETER: So, does a motion

1 need to made to actually recommend the \$73.58?

2 MR. POOLE: Yes, sir.

3 DR. ALMETER: I'd like to motion
4 to recommend that.

5 MS. STRAUB: Second that.

6 MR. POOLE: Any further
7 discussion? All those in favor, say aye. Any
8 opposed? Motion carried.

9 What we came up with before
10 when we were talking about the lesser of, what we'll
11 do, it will be that NADAC, that whole breakdown of
12 everything.

13 So, it will be a standardized
14 recommendation along with what we had already
15 submitted for just regular pharmacy dispensing fee.
16 So, it will be the same, and I'll present that to
17 Sharley because it has already been voted on and
18 approved.

19 DR. FIGG: Ron, this is
20 Meredith. I just have a question. So, is the
21 specialty pharmacy by definition going to be with at
22 least 10% of their prescription volume being
23 specialty drugs or are we going to have any
24 parameters as far as accreditation and that sort of
25 thing before that reimbursement applies?

1 MR. POOLE: That's entirely up
2 to this committee. If we want to make a requirement
3 on having to be accredited in order to qualify in the
4 specialty pharmacy in this Medicaid Program, that's
5 what we can decide on.

6 So, if you would like to open
7 up the discussion on that and just express your
8 opinion.

9 DR. FIGG: I'm kind of like
10 Matt. This isn't my wheelhouse, so, I'm not
11 necessarily saying I'm for it or against it. I was
12 just kind of clarifying the definition of specialty
13 pharmacy, specialty drug and that sort of thing.

14 DR. ALMETER: I can, if I may,
15 speak a little bit about this because I've worked
16 from independent to health system to specialty, and I
17 know that specialty drugs are not limited to
18 specialty pharmacies. I'll say that.

19 However, I think that the
20 distinction that I think Chris was referring to
21 earlier with accreditation, so, the specialty
22 pharmacy hierarchy has URAC and ACHC accreditation
23 because after doing URAC, some payors wouldn't allow
24 us to dispense unless we had an additional
25 accreditation.

1 I'm really agnostic to any
2 accrediting body. We only do it because PBM's are
3 asking it, but it is a nice standard to fall on that
4 if you received an accreditation from just a single
5 group, it's a nice way to distinguish it, but I can
6 also see there being additional work because there is
7 going to be additional prior authorization work, say,
8 on an independent pharmacy that is dispensing a
9 specialty drug. You're still doing a lot of work
10 just to get that dispensed to get it through. It's
11 not like an easy claim.

12 So, I can see there being need
13 for some openness there with that kind of a dispense
14 fee. That's my input.

15 DR. FIGG: Philip, thank you. I
16 agree. I think independent pharmacies are perfectly
17 capable of doing this and wouldn't want to be
18 excluded just because they don't have the
19 accreditation. Thank you for that input.

20 MR. CARRICO: I'd like to echo
21 that. I don't think accreditation should be
22 necessary because you just never know when you're
23 going to run into some of the situations we've run
24 into in the past where people start saying certain
25 drugs are specialty when I guess in my opinion they

1 definitely aren't specialty, and, then, it becomes a
2 subjective matter.

3 I think it might be easier and
4 better just if you're a pharmacy in Kentucky, you can
5 dispense.

6 MR. POOLE: Okay. Sounds good.
7 Any further comments on that?

8 DR. JOSEPH: I think I
9 understand the concern here. So, really, if we're
10 not defining specialty pharmacy, then, we would need
11 to define a specialty drug list, correct?

12 MR. POOLE: Yes, sir. I would
13 say that at least the P&T Committee needs to have the
14 formulary set for specialty pharmacy drugs. Is that
15 as defined as you would like it or at least give you
16 some direction there?

17 DR. JOSEPH: Yes, I think that
18 will be fine. Again, I completely understand. Right
19 now, we don't capture information around who is a
20 specialty pharmacy and who isn't.

21 And, so, that would be one way
22 we can go and start capturing that information, but
23 based off of what Dr. Figg and Mr. Carrico have said,
24 we can certainly do the other approach which is
25 define a specialty drug as a specialty drug and tie

1 the reimbursement that way.

2 MR. POOLE: Okay. Sounds good.
3 Sharley, if you could move up the agenda a little bit
4 there so we can see everything under b.

5 Under compound prescriptions,
6 what I've got underneath here is just one description
7 of non-sterile compounding.

8 I looked at several accrediting
9 bodies out there that had some information on their
10 websites as far as reimbursements that are being
11 approved in other states.

12 So, I just put it on here just
13 for information purposes to give everybody at least
14 something, a guideline to go by here.

15 Obviously, I used to do sterile
16 compounding twenty years ago but just the market
17 wouldn't support it to continue on and keep up the
18 standards or keep up my facility. There just wasn't
19 enough business in my area, but on the non-sterile
20 side, I've been compounding for twenty-seven years.

21 Obviously, it's not a secret
22 that the FDA is trying to put a lot of pressure on
23 compounding right now. And one of the most rewarding
24 experiences for me has been working with hormone
25 replacement therapy patients because that's where you

1 get comments like thank you for giving me my wife
2 back or thank you for giving me my husband back and
3 people that have gone through some major menopausal
4 areas in their life. Some people can go through the
5 change of life and it's not an issue and, then,
6 others, it's a complete transformation that you don't
7 even recognize the person.

8 Anyway, I tried to put it from
9 a simple compound to a moderate to a complex on the
10 non-sterile side and, then, the sterile side, I've
11 got that down below there.

12 So, I just wanted to get
13 people's - and, of course, I just put AWP.
14 Obviously, we can put cost plus whatever.

15 Again, we can use some of the
16 same lesser-than language that's in our first
17 recommendation because, again, the main thing is if
18 you're ordering chemicals from the right sources,
19 which there's plenty of them out there, they should
20 assign an NDC. They should assign cost or even an
21 AWP and it should be fine to create a formulary of
22 those main chemical companies that are trusted.

23 I have vetted so many of them
24 over the years that basically the two that I deal
25 with say that they turn away more chemical than they

1 accept because of their high standards.

2 So, anyway, I wanted to get
3 other people's comments on the compounding.

4 DR. ALMETER: This is Philip
5 again. I agree with what you said, Ron. I think,
6 yes, the FDA puts pressure on this part of our
7 industry heavily and far more in favor of FDA-
8 approved manufacturers.

9 However, this is I think a key
10 piece of our practice and what little bit of time I
11 have spent in outpatient compounding pharmacies, the
12 patients that do find their way there, they go there
13 because they don't have another choice.

14 And I think there is a
15 potential that keeping supporting this direction by
16 enhancing dispense fees keeps the door open to future
17 research in pharmacogenomics and individualized,
18 personalized dosing, that we don't really have
19 another avenue besides something like this. So, I'm
20 supportive.

21 I will say one thing. I do
22 like if we do something like lowest of logic, we
23 continue to do the same thing, not that 340B is as
24 big in here, by continuing to remove that from the
25 lowest of logic. That's all.

1 MR. POOLE: Right. And before
2 anybody else speaks, we get periodically discharges
3 from U of L pediatrics. So, we're converting usually
4 adult cardiac drugs into dosage forms for premature
5 births or even infants.

6 I've had one I call him my
7 Cardiac Kid. From day one, I've had him since, well,
8 then, it was Kosair's. And, recently, in the last
9 two years, he was able to get a heart transplant.
10 All the compounding that we've done for him over the
11 years, I feel like we've had a hand in this now
12 seventeen-year-old success as just enjoying life.

13 So, obviously, I'm very biased
14 because I've been compounding for so long but there's
15 some really good outcomes from this.

16 MS. STRAUB: This is Paula. I
17 can speak more from a provider perspective in that I
18 get calls all the time from providers where they say
19 access is an issue for compounded products.

20 So, anything we can do to keep
21 pharmacies being able to do this as far as
22 reimbursement, I think we can get some provider buy-
23 in on that because this is a real problem for them,
24 where to send patients. So, yes, it is.

25 MR. POOLE: And I will comment

1 further for Jessin and the people from Medicaid. In
2 the last three years, four years, the Board of
3 Pharmacy, which I just went off of December 31st, put
4 forth a huge effort to make sure some of the
5 tragedies that's happened in compounding like NECC in
6 Massachusetts, and you can name several others but
7 that's the worst one, that that's not going to happen
8 in Kentucky.

9 And, believe me, there has been
10 a large reduction in the number of compounding labs
11 and pharmacist compounders in Kentucky and it's not
12 because of, hey, the Board of Pharmacy has something
13 against compounding. It's just there's a standard
14 that has to be met and that's going to be met. And
15 if you don't want to meet those standards, then, you
16 don't need to be compounding anymore.

17 So, I feel very confident - of
18 course, again, I'm biased because I was on the Board
19 during that whole period - to where compounding has
20 been greatly improved in Kentucky. So, the people
21 that are doing the compounding now are going through
22 all the standard recommendations. They're going
23 through the USP 795, 797 standards. USP 800
24 obviously is followed but not in as a regulation.

25 Anyway, I just want to bring

1 that up because I really feel like the quality and
2 the people who are - to me, I always refer to them as
3 shirt-tailed pharmacists who find a way or an avenue
4 to do the bare minimum and those type people anymore
5 are gone.

6 So, I don't know if Jessin
7 realized that or not but it is. The people who are
8 involved, whether it's sterile or non-sterile now,
9 are in it for the right reasons and they're abiding
10 by all the requirements by the Board and the national
11 organizations and standards.

12 DR. HARLOW: This is Chris
13 Harlow. So, we do non-sterile compounding at St.
14 Matthews Pharmacy and we see a fairly large pediatric
15 population and this pediatric population is serviced
16 by Kosair in Louisville and we also have patients at
17 Cincinnati and Indianapolis that live here in
18 Louisville that travel to these children's hospitals
19 to seek care and many of these individuals do require
20 compound medications. So, I appreciate the
21 opportunity that we're looking at this.

22 One of the recommendations that
23 we would like to recommend is utilizing the NCPDP's
24 billing using the Level-of-Effort codes, so, 11, 12,
25 13 and 14 based on complexity and, then, doing a

1 compounding fee on top of a dispensing fee, utilizing
2 those codes.

3 All we're really asking for is
4 that we're able to essentially bill for the service
5 and we bill for the service through that mechanism.

6 It's okay if we're just
7 reimbursed based on the cost of the drug. We're okay
8 with that if you use something like NADAC, but we
9 just want to be able to bill for the service of
10 actually compounding, so, ranging from \$12.50 to \$50,
11 depending on the complexity.

12 MR. POOLE: Okay. Chris, do you
13 mind to spell those out to us, the level of
14 complexity, if you've got it right in front of you?

15 DR. HARLOW: So, it's a level of
16 effort. It's 11 through 14 - 11, 12, 13, 14 - and
17 it's billed based on the pharmacy's - utilizing the
18 risk I believe that you have here on your screen.

19 So, the pharmacy will bill at
20 appropriate level of effort. A level of effort 11,
21 it's based on number of minutes to compound is how we
22 have it listed. So, fifteen minutes, thirty minutes,
23 forty-five minutes, sixty minutes.

24 Again, I can't speak on behalf
25 of sterile compounding, so, I apologize, but we have

1 recommended compounding fees of \$12.50, \$25, \$37.50
2 and \$50 based on level of effort.

3 MR. POOLE: Could you give me
4 those again?

5 DR. HARLOW: Yes, \$12.50, \$25,
6 \$37.50 and \$50. Thank you.

7 MR. POOLE: Okay. Thank you.
8 Now, if you could scroll back up, Sharley. Do we
9 have an action that the committee would like to take
10 on a recommendation, or is this something that we
11 could do our homework and really come up with a
12 standard that we want to recommend, or do you feel
13 like we've got some good bones right here to work
14 with? Rosemary, you've been awful quiet.

15 MS. SMITH: This is a little out
16 of, as Meredith said and Matt, it's a little out of
17 my wheelhouse in retailing and most of our
18 independent KIPA members, but I'm willing to listen
19 to everybody else. And I think listening to
20 what Chris has recommended, it's been very good for
21 what he has recommended to us.

22 MR. POOLE: Okay.

23 DR. ALMETER: I would like to
24 second that. This is not my area of expertise, but
25 if those who are more comfortable like you or Chris

1 have some information, I'll support it. I just want
2 it to be a solid dispense fee for compounding.

3 MR. POOLE: Okay.

4 MR. CARRICO: Ron or Chris, were
5 those recommendations just for non-sterile?

6 MR. POOLE: Yes. He didn't have
7 anything for sterile compounding.

8 MR. CARRICO: I'm fine with
9 those, but do we have anyone with insight on sterile
10 because I don't really know what it takes overhead-
11 wise and time-wise for sterile compounding, and I
12 don't want to approve something blindly that ends up
13 really hurting them. Does anyone on this call have
14 any insight on sterile compounding or do we know
15 anyone we can contact before the next meeting?

16 MR. POOLE: That's what I was
17 going to say. If we want to, I can work with the
18 people that I know in sterile, and, of course, I'll
19 talk to Ben Mudd who is on the phone here with us
20 with KPHA and get some key players in the sterile
21 compounding area and just send out a survey to them
22 and get a more standardized.

23 And Chris and I can work and
24 get this language down to a true standard on this to
25 where, when I come back to the next PTAC meeting,

1 we'll have something concrete right in front of you
2 that should have been vetted properly throughout more
3 compounders and a better recommendation.

4 That's what I think we need to
5 do unless somebody wants to comment further on it.

6 MR. CARRICO: Are you talking
7 just to put on hold all compounding or make a motion
8 for non-sterile now and do research for sterile for
9 next time?

10 MR. POOLE: If you're
11 comfortable with making a motion on the non-sterile.
12 I just think we need to certainly poll or survey the
13 sterile compounders out there and get a better
14 understanding and even maybe have somebody on the
15 line next time that can explain it and what their
16 logic is behind what they as a group proposed.

17 MR. CARRICO: I would be fine
18 making a non-sterile motion except this looks so
19 detailed, I don't even know how to say the motion.

20 MR. POOLE: Like I said, we're
21 meeting again two months from now. So, I think if we
22 could table it until then and let's get everything
23 the way it needs to be.

24 MR. CARRICO: Sounds like a
25 plan.

1 MR. POOLE: Okay. Is that
2 alright with everybody? All right.

3 If you don't mind to move on
4 down, Sharley. Jessin, do you have any comments or
5 do you even know with Medimpact what kind of appeal
6 process they have proposed or have they proposed one?
7 I just wanted to ask you first.

8 DR. JOSEPH: Not necessarily to
9 the specific reimbursement I guess benchmark, but
10 part of the RFP is they do have to have an appeals
11 process available. And, so, that will exist.
12 Whether or not - I'm sorry. That is going to exist
13 regardless.

14 It's also in the MCO contract
15 to have an appeals process. And, then, really, just
16 dependent on the pricing benchmarks which, again, I
17 don't - that DMS has not yet finalized, there are
18 different appeals processes for those benchmarks,
19 right?

20 So, for something like WAC, we
21 don't control that cost. So, there really is no
22 mechanism. Something like NADAC, there is a process
23 for the NADAC team to go back and evaluate whether or
24 not the NADAC is appropriate, but there are appeals
25 mechanisms in place; but from Medimpact's standpoint,

1 it's within the contract.

2 MR. POOLE: Okay. Do you know,
3 with our already existing appeal processes in
4 Kentucky that's been passed, is Medicaid exempt from
5 those?

6 DR. JOSEPH: That's probably a
7 question for DOI. I don't know.

8 MR. POOLE: Okay. I did not
9 think that Medicaid was, but go ahead, Matt, if you
10 want to comment on it.

11 MR. CARRICO: Were you referring
12 to fee-for-service or MCOs?

13 MR. POOLE: MCOs.

14 MR. CARRICO: MCOs, no. You can
15 do the current appeals process with MCOs. I don't
16 think it applies to fee-for-service, though.

17 MR. POOLE: Okay. I put it on
18 there and I appreciate your comments, Jessin,
19 because, obviously, if you're a pharmacy owner,
20 whether you're a chain or independent, either one,
21 and you start seeing so many claims underwater or
22 below your net cost, then, you want to be able to
23 have some resource to straighten the situation out
24 and it has helped over the years to be able to have
25 that mechanism.

So, is there further discussion
on this topic here?

MR. CARRICO: If we're going to go with - if it ends up going with a NADAC plus, I just wonder. I've had probably two or three in the last year on fee-for-service that I noticed were noticeably below what I was being able to acquire a drug for, and I reached out to Jessin and he helped show me the ropes on doing a NADAC appeal and I did, and just the answer I get back was no.

I called multiple people that I knew used the big three wholesalers and checked TRxADE which is just a search for tons of side wholesalers and NADAC was incorrect.

I'm not going to say it's going to happen often but it did happen. So, I don't know what we need to do or puts it in place for if and when it happens again. Fortunately, I didn't dispense that drug to too many people, but if it's a common drug, it's really going to add up quickly if that scenario ends up happening.

So, I don't know. I feel like we do need to address some type of an appeals process for something like that. What it is, I don't know. I'm open to suggestions. I guess it's the pharmacist

1 in me that just assumes the worst things are going to
2 happen if we don't address it ahead of time.

3 MR. POOLE: Jessin, I just have
4 an idea that I had before we had the meeting today.
5 I guess would it be useful to request that Medimpact
6 have an appeal process that works with all of our
7 lesser-of logic in the pricing, so, therefore,
8 whether it's NADAC, whether it's WAC, whether it's
9 whatever all the way up and down through there, that
10 they have a process for us to get an answer and to
11 work with those because we all know that each one of
12 those, even though some may try harder than others,
13 but each one of those standards, those pricing
14 standards are dated.

15 They're already one month
16 behind, two months behind or greater. So, that's
17 where the problem lies is that price updates don't
18 get put in very quickly on a lot of those pricing
19 standards and, then, of course, in NADAC, I think
20 it's quarterly that they do their evaluation. I may
21 be wrong on that but that's what I thought I remember
22 I how they figure the NADAC pricing.

23 So, with that in mind, knowing
24 that every standard we're looking at is actually
25 dated material, just like the cost-of-dispensing

1 study that I presented. That was a 2018 study but it
2 was published in 2020.

3 Anyway, if you want to make a
4 comment on that, Jessin.

5 DR. JOSEPH: Sure. I agree with
6 you. There are lags in these; but if NADAC captures
7 a lag, if they've captured that the information is
8 incorrect - and this is the same for manufacturers
9 when they submit their rates to the drug databases,
10 right, FDB or Medi-Span, whoever they're using -
11 sometimes the manufacturers are late on submitting
12 their price changes.

13 And, so, when that happens,
14 there is an effective date for the certain price, for
15 the actual price that it's changing to. And, so, our
16 system should be capturing when the price changes.

17 Now, I don't have access and I
18 don't think it makes sense for us to have access to
19 when every drug falls into this specific situation,
20 but those effective dates would be applicable to when
21 the actual price of the drug changed.

22 Unfortunately, again, I don't
23 have access. And, so, when a pharmacy, it looks like
24 it's under-reimbursed and, then, once the date is
25 updated within the systems - again, these are

1 national systems, so, nothing that DMS can control -
2 the ability to reprocess those claims is going to be
3 there for the pharmacy.

4 Again, unfortunately, I don't
5 have a way of knowing when that is and which drugs
6 fall under this category, but I think this is their
7 way of saying that they're staying up to date with
8 these drug products.

9 MR. POOLE: Okay. With
10 Medimpact going to be adopting or hopefully something
11 similar to what we recommended to DME and the MAC,
12 obviously, we're going to need some help in all of
13 those varying standards to make sure that there is a
14 process for us to question it when there is a
15 discrepancy.

16 DR. JOSEPH: Sure.

17 MR. POOLE: So, I don't know if
18 it would do any good, or, Matt, I don't know if you
19 want to, but just something simple as to ask
20 Medimpact to have a process by which we can send in
21 to them or agencies, or in the case of chain
22 pharmacies, their agencies, to send in appeals on all
23 of those different pricing standards, whichever one
24 it fits under.

25 MR. CARRICO: It would be nice -

1 I don't know how we'll do it - but it would be nice
2 if we're going to be doing NADAC and they say no,
3 then, like the current appeals process, they would
4 have to show us where that drug can be purchased for
5 that NADAC price.

6 MR. POOLE: Okay.

7 MR. CARRICO: From a place
8 that's readily available, a wholesaler to a pharmacy
9 in Kentucky.

10 MR. POOLE: That's the way our
11 state law is on PBM appeals. So, go ahead.

12 MR. CARRICO: So, I think if we
13 can kind of work it in that way. The current one I
14 don't think addresses NADAC but we only have one plan
15 that does it, fee-for-service.

16 So, we might have to do some
17 tweaking and get that worked in with it, but I think
18 that could be a good way. If you show me where to
19 buy it without me having to switch major wholesalers
20 or if it's available from a side one or something,
21 I'm fine with that. That's fine to not have to be a
22 smart shopper.

23 MR. POOLE: Okay. Any further
24 discussion on this? And, then, if no further
25 discussion, does anybody want to take action?

1 MR. CARRICO: I think the
2 current action will be trying to figure out how to
3 work this in with the current appeals process, and I
4 can try to look into that between the meetings since
5 I helped with the current setting and I will report
6 back.

7 MR. POOLE: Okay. And I can
8 help out where I can there, too, Matt, and we can get
9 some people together to just pull - obviously, we
10 need to pull our current laws and fit something in
11 with them to get a good request, a motion that
12 Medimpact wouldn't have a problem adhering to.

13 So, let's table that one, too,
14 until next meeting and hopefully have some more
15 supporting information on that the next time.

16 So, Number 3. This is
17 something just real simple. Matt is the one who
18 brought this to our attention, but the dispensing fee
19 because nurse practitioners and other practitioners,
20 PA's have prescribing limitations on day supply or
21 quantities sometimes.

22 So, this was just a
23 recommendation that the dispensing fee is going to be
24 recommended on a per-prescription basis, not based
25 off of a particular days' supply.

1 So, do we have any further
2 comments on this; and if not, do we have a motion on
3 it?

4 MR. CARRICO: Well, I spoke to
5 Jessin in the interim about this, and currently fee-
6 for-service is one dispensing fee per twenty-three
7 days. If Jessin wants to elaborate more on why it's
8 set up that way.

9 I mean, I get that they're
10 trying to prevent people from gaming the system and
11 billing for a tablet a day to get a dispensing fee
12 per day. I don't think people are going to do that.

13 But in my situation, especially
14 if you're working with Suboxone patients, a lot of
15 them get a week's supply. Where I work, there's a lot
16 of nurse practitioners, everything is narcotics
17 because they have problems with people, they'll end
18 up making them two weeks at a time on anything that's
19 a controlled substance.

20 And, then, there's a number of
21 drugs that no matter how you do it, it's going to be
22 less than twenty-three days. One of the two most
23 common directions for an Abuterol inhaler is a
24 sixteen-day supply, and I don't want to break even on
25 filling someone's rescue inhaler because that's how

1 it is.

2 I just feel like there should
3 be a different way to do this that's fair to
4 everyone.

5 MS. STRAUB: What about those
6 patients that the provider needs to see? So, they
7 may give just a few days' supply until they have an
8 appointment. So, I think that needs to be taken into
9 account as well.

10 MR. CARRICO: Exactly. Jessin,
11 do you want to provide any of the insight or the
12 logic on why it was like that?

13 DR. JOSEPH: Matt pointed this
14 out to me. We did some research as to why the fee-
15 for-service system is set up this way. I think as a
16 practicing pharmacist, you'll see that the MCOs pay
17 per prescription.

18 I could not find documentation
19 as to why we've operated the way that we have. This
20 is part of the benefit design. So, to be honest,
21 this decision was made years ago; and for something
22 like this, it requires CMS approval.

23 So, CMS did sign off on
24 something like this. So, if a change is made, we do
25 need to get CMS approval on something like that.

1 Unfortunately, my research came up empty-handed and
2 I'm sorry that that was the case; but just from
3 understanding the process, I just know that it was a
4 decision made long before I joined.

5 MR. POOLE: Okay. So, Matt,
6 since you've spoken out on this, what if we at least
7 came up with a recommendation one per fourteen days.

8 Now, again, I have one of the
9 largest Suboxone clinics in my area. They moved
10 seven clinics into one and they dispense usually a
11 week's supply for everybody.

12 And, so, you're talking at
13 least if we went one per fourteen, one per fourteen
14 would get the majority of everybody; but on Suboxone,
15 at least you would have two times every twenty-eight
16 days to get a fee.

17 I just wanted to ask about what
18 do you think about sticking to a recommendation of
19 one per fourteen?

20 MR. CARRICO: I mean, it's
21 better than where we're at. It would capture a lot
22 of the scripts that I have concerns about, especially
23 with the inhalers and whatnot. It still would leave
24 people with seven days rough but it's better than
25 where we're at. So, beggars can't be choosers. I

1 wouldn't mind hearing other people's opinions that's
2 on the call.

3 MR. POOLE: Ben, why don't you,
4 since you're on here and you just came off running a
5 store for many years.

6 DR. MUDD: My problem, is there
7 a possible way in the claims process to put some kind
8 of override in and it would fall on the pharmacist at
9 that point to somehow be able to track that, but to
10 put in some kind of override code that you
11 acknowledge there's a reason for doing such, for
12 asking for multiple fills per month, if that
13 prescription comes across Matt's computer and you see
14 that there's not a dispensing fee, you can put in
15 some kind of code that would allow for and rebill for
16 a second dispensing fee within that twenty-three
17 days.

18 MR. POOLE: Okay.

19 DR. MUDD: Jessin, is that
20 something that is at all possible?

21 DR. JOSEPH: So, I think it's
22 possible. I'm surprised how innovative some of these
23 claims processes are.

24 I think it's certainly
25 possible, but, again, I'm thinking from a regulatory

1 standpoint of CMS approval. And, so, we might need
2 to define how we would do that and I'd have to take
3 it back.

4 So, theoretically, I think it's
5 possible but I think we have to take that back before
6 we can agree to something like that.

7 MR. POOLE: Okay.

8 MR. CARRICO: One idea I had is
9 I believe this year or within the last six months,
10 NCPDP, they're able to see how much the prescription
11 is written for as well as the quantity dispensed.

12 So, if we're able to say, yeah,
13 we dispense whatever the quantity is written for,
14 whether it's seven for seven days, then, you
15 shouldn't be punished; but if it's a quantity seven
16 with two refills and you just keep running it every
17 seven days instead of running all twenty-one
18 together, then, you would only get one dispensing fee
19 if that's how you're doing it, if that makes sense.

20 I think that is, in my opinion,
21 the most fair way because pharmacies can't help how
22 things are written.

23 MR. POOLE: Okay. That's a good
24 point. So, any further comment on that?

25 MR. CARRICO: Rosemary, have you

1 heard from anyone from KIPA on whether they're having
2 any concerns about this or opinions or whatnot?

3 MS. SMITH: We haven't, Matt.
4 That hasn't been an issue that I've heard about.

5 MR. POOLE: Okay. So, Matt, do
6 you feel comfortable making a recommendation, a
7 motion for this, or is this something that you would
8 like to----

9 MR. CARRICO: I will make a
10 motion. It's probably not going to be the cleanest
11 sounding or looking motion.

12 I'd like to make a motion for
13 the dispensing fee to be per prescription, including
14 refills - how would I word this - to fill the
15 prescription for the maximum amount allowed for
16 thirty days per dispensing fee.

17 Does anyone have a better way
18 of putting this than I am right now?

19 DR. MUDD: If we're assuming
20 that you can track the quantity prescribed, then, you
21 could say something - that's I think an assumption
22 there - but if that's the case, then, you would say
23 it's twenty-three days or more often if the quantity
24 prescribed is less than twenty-three days, if the
25 days prescribed is less than twenty-three days.

1 MR. POOLE: And just to kind of
2 help clarify what you were bringing up a while ago,
3 Matt, on new prescriptions, because if it's refills,
4 there are limitations. There are prescribing
5 limitations. So, I'm just trying to come up with a
6 way of saying it's just on new fills.

7 MR. CARRICO: Jessin, if we get
8 a motion on this, what's the turnaround time from CMS
9 to get a thumbs-up or a thumbs-down?

10 DR. JOSEPH: Ninety days if I
11 submit it the day that I get it from you all, but
12 we'll have to take it back and see what leadership
13 says, too. So, it's going to be a while. It
14 wouldn't be quick.

15 MR. CARRICO: I'm just trying to
16 figure out if I want to wait to try to word this
17 better before I make a motion.

18 DR. JOSEPH: I would wait
19 probably.

20 MR. CARRICO: Can you confirm or
21 deny? Are they able to see quantity written and
22 quantity dispensed now like I think they are?

23 DR. JOSEPH: The engine or CMS?

24 MR. CARRICO: No, the insurance,
25 the PBM or whoever is processing. When you submit a

1 claim, are you able to see quantity written and
2 quantity dispensed now?

3 DR. JOSEPH: I think that's
4 correct, but I'm fairly certain now that everyone has
5 updated the NCPDP formats, that shouldn't be an
6 issue.

7 MR. CARRICO: Okay. Would you
8 be all right with me tabling this, Ron, and trying to
9 figure out how to word this properly to make sure it
10 covers the scenarios we're talking about?

11 MR. POOLE: Yes, I agree.
12 Again, we can work with Ben on that and get proper
13 wording that we need on that. Like I said, I'd
14 rather get it right than to try to scramble through
15 it now.

16 DR. MUDD: Would it be possible,
17 just taking it a different route here, but would it
18 be possible to create a list of commonly-used drugs
19 and that list could be modified from time to time by
20 this group or someone else at Medicaid to allow for
21 those changes?

22 MR. POOLE: I think that's a
23 good possibility that that's where we go with this.
24 So, that's the reason why I think it's important that
25 we need to discuss this, but it might be easier to

1 come up with a list.

2 MR. CARRICO: But the list,
3 though, you're pigeonholing yourself because what if,
4 like someone mentioned earlier, a doctor just calls
5 in a three-day supply on all their maintenance meds
6 before they get seen and, then, three days later,
7 there you are.

8 MR. POOLE: Right.

9 MR. CARRICO: So, it sounds like
10 we have a little work to do on this topic but I think
11 we can attack it.

12 MR. POOLE: Okay. Any further
13 comment on Item 3?

14 Let's move on to Item 4. I
15 just put just some supporting information on here.
16 We do have audit laws in Kentucky on PBMs, but I just
17 wanted to make sure that it's going to be the same
18 for everybody.

19 So, whatever Medimpact, and,
20 Jessin, you can comment on this, whatever they put in
21 place for their audit processes, one, I would hope
22 that they would not just issue an audit to what we
23 see in the marketplace right now where it's just a
24 fishing campaign.

25 I would really like for people

1 to not audit us unless there's suspicion. That's
2 what audits should be.

3 So, I'm having to spend all
4 kinds of time on audits now and we wind up in the
5 long run getting charged back nothing but it's just
6 busy work, that they're out fishing for somebody who
7 has messed up on one claim or two.

8 So, I would really like it to
9 spell it out to our new insurance that I would hope
10 that our audit process will be a whole lot more fair
11 and clean. And if there's somebody out there who
12 they offer a no-audit contract to, I hope that that
13 would be the same for all of us because there is that
14 out in the marketplace now.

15 So, I don't think that certain
16 types or categories of pharmacies should be able to
17 enjoy a no-audit contract and, then, other entities
18 have to deal with everything.

19 I mean, I understand if
20 somebody is doing something illegal or unethical,
21 it's not that hard for them to get caught, but I just
22 really am tired of the fishing expeditions to where
23 it results in the same thing every time and I've
24 spent hours and hours on it. I would rather
25 concentrate on patient care.

1 Anybody else have any other
2 comments on the audit provisions?

3 DR. ALMETER: I second what you
4 said. The audits these days which in many cases I've
5 seen are more aligned with vertically integrated
6 PBM's where if you're not part of that vertical
7 integration, you can get audited a whole. There's
8 not a lot of findings but there's costs to your own
9 business for the time offline spent with the auditor
10 going through prescription after prescription.

11 So, any more transparency we
12 can add in this process I welcome.

13 MR. CARRICO: To add to this, I
14 wouldn't mind making documentation easier. I know
15 one PBM, if you need the doctor to clarify, yes, this
16 is what I meant, like, I had a Trulicity sent over, I
17 e-scribed quantity four and I had to get the doctor
18 to verify that he meant four syringes.

19 I don't know what else they
20 would have meant, but it had to be written on the
21 back of the doctor's prescription, and I had to go
22 drive an hour and a half to Lexington just to pick
23 this up.

24 So, I wouldn't mind to making
25 documentation for something that gets audited easier

1 for us as well.

2 MR. POOLE: Okay.

3 MS. SMITH: Can I ask a question
4 of Jessin?

5 MR. POOLE: Yes. Go ahead,
6 Rosemary.

7 MS. SMITH: Jessin, with the new
8 single state PBM Medimpact, I know DMS, your
9 Department has control of those contracts. And won't
10 the contracts all be exactly the same for every
11 pharmacy in Kentucky, and, then, you'll be able to
12 look at those and you will be approving those? So
13 there shouldn't be, am I correct, shouldn't be a no-
14 audit contract? All of those should be uniform. Is
15 that correct?

16 DR. JOSEPH: Right. No-audit
17 contracts don't exist. Just like how the fee-for-
18 service program works, once a pharmacy is enrolled
19 with Kentucky Medicaid, you are enrolled in Kentucky
20 Medicaid as a pharmacy provider.

21 That puts you - however you
22 want to look at it - at risk within the same pool for
23 an audit regardless of pharmacy type. And, again, we
24 don't designate based off of pharmacy type in
25 Medicaid.

1 MS. SMITH: Thanks. I thought
2 that was true.

3 Until July 1, until the
4 implementation of Senate Bill 50, we're kind of out
5 there hanging, but I think I understand that that
6 will be taken care of with the new Medimpact
7 contracts.

8 MR. POOLE: Okay.

9 MS. STRAUB: This is Paula.
10 Jessin, are we still looking at a 7/1 implementation
11 date for Medimpact?

12 DR. JOSEPH: Yes.

13 MR. POOLE: And, Jessin, if you
14 wouldn't mind, beings that question just got asked so
15 we don't have to go back to it, if you just want to
16 give us an update of what's happened over the last
17 thirty to sixty days with choosing Medimpact and
18 what's going on behind the scenes to get this
19 implemented.

20 And, again, what I guess
21 everybody's question is is that why can't we get it
22 done earlier? I mean, that would be everybody's
23 wishes, but I just wanted to give you an opportunity
24 to update.

25 DR. JOSEPH: Sure. I don't want

1 to share too much because, again, we're working on a
2 lot of things simultaneously. And, so, as we kind of
3 get through them, it will take time to build out.

4 I'd like to at least address
5 the concern around doing this quickly. Even in the
6 commercial space, if a new PBM is coming to take over
7 with a health plan, there would be more than a six-
8 month time frame in the commercial space.

9 We're working through a number
10 of regulations up front, and, then, at the same time,
11 we're working through an operational standpoint.

12 So, this model is new. The
13 fact that we're building up an entire benefit for 1.6
14 million lives I think is the one thing I try to
15 stress to everyone is what we don't want to do is do
16 things fast and not think things through.

17 We want to make sure that
18 everybody is on the same page when it comes to
19 operating this and standing this up.

20 So, there are concerns around
21 making sure files are transferred appropriately,
22 layouts are the same, information is uploaded
23 accordingly, and, then, setting this up for an
24 automated process.

25 So, to say that we could do

1 this in one or two months or really four or five
2 months, it is a time-consuming process.

3 So, we are working for the 7/1
4 start date, and, again, I want to say that that
5 hasn't changed at all; but the question to see if we
6 can get this done sooner, I would be beyond belief if
7 anybody can.

8 And, so, again, I know that's
9 not necessarily the news everyone wants to hear but
10 that is the truth.

11 In terms of updates, again,
12 we're working on multiple things all at the same
13 time. Conversations with CMS, the conversations with
14 Medimpact are all ongoing. We are building this out.

15 So, anybody is more than
16 welcome to shadow for a day but a lot of my time is
17 now spent talking to Medimpact and figuring out what
18 we necessarily need to get done ASAP and, again, for
19 the 7/1 go-live date.

20 MR. POOLE: Okay.

21 MS. STRAUB: This is Paula
22 again. I think I've sent you a couple of emails,
23 Jessin, about a couple of issues that pharmacists
24 relayed to me as far as DAW issues with Medimpact
25 and, then, new pharmacies coming on board where

1 there's a waiting period and those are being
2 addressed, correct?

3 DR. JOSEPH: I can talk on at
4 least two of them. The DAW piece, again, we are
5 designing the benefit, right? So, we would set this
6 up prior to the go-live, whether or not DAW is
7 necessary or where it isn't necessary.

8 The piece about the wait for
9 enrollment, the wait for enrollment is really going
10 to be dependent on the time frame of Kentucky
11 Medicaid's Provider Enrollment.

12 So, that is who is going to
13 create this network. Medimpact will not be creating
14 our pharmacy network. They will be using the
15 Kentucky Medicaid network.

16 And, so, I hope that alleviates
17 your concern there. It's really just dependent on
18 making sure licenses are up to date. Everything that
19 we have within the fee-for-service program would
20 translate over.

21 MS. STRAUB: Gotcha. Okay.
22 Perfect. Thank you.

23 MR. POOLE: Any other discussion
24 on Number 4, the audit process? Again, this is one
25 of those topics that take on a lot of different

1 avenues and fingers. So, I think we can make,
2 between now and the next meeting, we could come up
3 with a bullet point of recommendations that would be
4 fair, What we'd like to see in the marketplace that
5 is more transparent and more fair is all we're
6 asking.

7 So, does anybody care to take
8 any action on that today or just let's be working on
9 that?

10 MR. CARRICO: I think if we're
11 all in agreement with what's on the agenda and kind
12 of what's been voiced, which it sounds like we are,
13 we know the direction to go, we can get a really
14 better-sounding motion put together than we would
15 today.

16 MR. POOLE: Okay. All right.
17 Thanks. Any further discussion, then, on Item 4?

18 Hearing none, 5 was Medimpact
19 encouraged to pay for low-cost OTC's because we're
20 seeing in the marketplace now, Jessin, where a lot of
21 OTC's are being taken off the formulary.

22 Obviously, I do a lot of
23 nutritional consultations. So, I can just tell you
24 that my autistic patients, they're not deficient in
25 Risperdal or Prozac. They're deficient in

1 Glutathione and Taurine and Selenium and Zinc and
2 Magnesium.

3 I've been a supporter of this
4 measure for a long time. I work with physicians and
5 I actually just donate to Medicaid patients because
6 they can't afford just the nutritional supplements.
7 I actually compound for them because most of them at
8 age three to ten have texture issues.

9 So, I actually compound gels
10 for them to just rub on their stomach or inner thigh
11 and it seems to do wonderful. I've had a lot of
12 verbal children that's been able to not be verbal and
13 actually start forming words and sentences. So, I
14 know it works.

15 So, this is kind of just near
16 and dear to me because I wish there was a way to get
17 the nutrients needed for these patients because
18 they're just as important a lot of times in certain
19 disease states as prescription drugs.

20 And, Matt, I know you're the
21 one that actually put this on the agenda. So, I
22 wanted to give you a chance to speak on it.

23 MR. CARRICO: I echo what you're
24 saying about Medimpact.

25 Mine is more about it seems

1 like at the beginning of February, a lot of OTC's
2 went off the formulary, and I get that they're
3 supposed to be able to give rebates or whatever to be
4 part of the CMS or Medicaid plan, but I'm going crazy
5 trying to figure out which NDC's can bill.

6 There was one MCO patient I
7 tried to bill for an Omeprazole tablet. It rejected.
8 They gave me another NDC to try. I tried that NDC.
9 It rejected. It gave me a third NDC to try and
10 rejected. It gave me the first NDC that I tried that
11 already rejected.

12 It's just really difficult to
13 try to help people when you don't know what's going
14 on or how to fix it. I'm just asking for help.
15 Where can we go to find what is actually covered that
16 is available because a lot of stuff is going
17 unavailable at times.

18 Aspirins are off the market for
19 two, three weeks at a time and then they're back on
20 and, then, the ones you get aren't covered. It's
21 just a case of a lot of OTC's and it's been really
22 frustrating.

23 DR. JOSEPH: Matt, let me try to
24 address some of it. And if any of the MCOs want to
25 speak to it, they can as well.

1 The OTC products are not part
2 of the PDL. The Preferred Drug List is a subset of
3 all the drugs that Medicaid pays for. And, so, there
4 are rules in terms of what we can pay for based off
5 of what CMS dictates to us.

6 So, we've created a fee-for-
7 service specific OTC list. Chairman Poole, I'm not
8 sure if this is what you were referring to, but it is
9 on our website what OTC products we cover.

10 Obviously, the MCOs will select
11 their own OTC products. Prior to single PDL, they
12 managed the entirety of the pharmacy benefit.

13 And, so, when we moved to the
14 single PDL, there was a miscommunication that the
15 MCOs essentially, some of the MCOs essentially did
16 not have a supplemental file, if you want to say
17 that, or a separate listing of drugs that are
18 required to be - they had coverage - I'm sorry.

19 They had coverage, however, the
20 misunderstanding was around prior authorizations or
21 no prior authorizations. And, so, I think it's the
22 terminology that led to the misunderstanding.

23 The formulary at the end of the
24 day will be all of the drugs that we cover and we
25 cover everything that is a covered outpatient drug

1 and that's a separate definition, but the PDL is just
2 a subset of all of that.

3 And, so, at this time, I
4 believe all of the MCOs have now corrected this. I
5 think this was a big issue in January and, then,
6 early February. Again, if there is still an issue
7 out there, please let us know and, again, we can
8 always direct it to the appropriate MCO for a fix.

9 Again, we're not going to
10 necessarily dictate to them which OTC products they
11 have to cover and which ones they don't because,
12 again, they're not on the PDL, but I hear your
13 concern and it was an issue and it's not something
14 that was ever the intent here.

15 MR. POOLE: Okay. And a follow-
16 up question would be, so, from what you're telling
17 me, it wouldn't even do any good to go to the P&T
18 Committee with testimony like the example I gave
19 which is autistic children because it's not CMS' -
20 CMS dictates what's on there.

21 DR. JOSEPH: Well, not to say
22 that it wouldn't be a value. The value is more
23 towards us, right? So, the P&T Committee is going to
24 be specific to the PDL, the Preferred Drug List.

25 So, if there is concern on your

1 all's end regarding a product, then, certainly bring
2 it to DMS' attention so we can address it from the
3 fee-for-service side. We can relay this information
4 to the MCO side, but the P&T Committee is going to be
5 specific to the products on the PDL.

6 And, really, the agenda will be
7 set beforehand. And, so, you're not going to see the
8 OTC products on there, if that makes sense.

9 MR. POOLE: Okay. So, I will
10 work on supplying some testimony.

11 DR. JOSEPH: Chairman Poole,
12 we've started down the path of restructuring the
13 entirety of our fee-for service OTC list. I
14 anticipate that will go live 7/1. Obviously, right
15 now, it's a little bit shorter. And if you look at
16 the list, a number of products aren't on the market
17 anymore.

18 So, we're making changes. So,
19 again, if you have recommendations today, this week,
20 next week, send them over and we'll certainly look
21 into them and see which products are available.

22 MR. POOLE: Okay.

23 DR. MUDD: Ron, a quick
24 question, if I may. Jessin, is there a place where
25 pharmacists can go to make that recommendation

1 outside of sending you an email or a phone call? Is
2 there like a web form somewhere because I'll use the
3 example of Vitamin D.

4 It's a fun conversation to tell
5 a patient, well, this is covered but the covered NDC
6 is not available. So, if I could get the specific
7 manufacturer, then, yes, I could dispense this to you
8 but I can't get it.

9 So, is there one place that a
10 pharmacy could go to to say, hey, I'm having trouble
11 with this specific NDC for this MCO?

12 DR. JOSEPH: If it's specific
13 for an MCO, you can certainly outreach to me and we
14 can direct it to the appropriate MCO.

15 And, then, Dr. Mudd, again,
16 this is kind of the forum where we can certainly
17 discuss this as well, hey, this Vitamin D product,
18 this NDC is not available. And, then, I would be
19 glad to follow up and take a look into why that NDC
20 isn't available or why, if there is an available NDC,
21 why we don't cover it.

22 MS. BATES: Jessin, it's
23 Stephanie. I would recommend that all providers go
24 to the MCO first. I'm just kind of putting that out
25 there because maybe the MCO can have - I don't know.

1 I'm curious what you just said. Do you ever go to
2 the MCO first and what is that experience? I'd like
3 to hear about that since they're on here and they can
4 speak to it.

5 MS. STRAUB: I will tell you
6 that I've reached out to all the Pharmacy Directors
7 at all of these specific MCOs and they have been very
8 helpful in getting me the certain products that are
9 covered.

10 It would be nice if their
11 supplemental PDL's had specific NDC numbers on their
12 websites but they have been very helpful in getting
13 me the products that are covered.

14 MS. BATES: And I'm just only
15 putting that out there because Jessin is like only
16 one human being who is also trying to set up a single
17 PBM.

18 And, so, if the MCOs can step
19 up and do that for him, that's really who needs to
20 answer to any kind of issue anyway first.

21 DR. MUDD: That was I guess my
22 request. Is there already a list of who, if the
23 pharmacy had an issue with one MCO, is there a - I
24 was just in practice a week ago and I didn't know who
25 to call and we looked, but is there a place that we

1 can send a pharmacist and say, okay, this issue,
2 email this person for this particular MCO?

3 MS. BATES: Yeah. I believe we
4 have MCOs on here, and I don't see anything wrong
5 with after this call getting with them. I'm going to
6 pick on the very first one I see. Carrie Armstrong,
7 do you want to answer?

8 MS. ARMSTRONG: Absolutely. I'm
9 happy to provide contact information.. Anytime that
10 you come across this situation, definitely let us
11 know and we can absolutely look into it.

12 MS. BATES: What we'll do is
13 we'll get - Angie Parker is on - and she will get
14 with Jessin to put something out to the MCOs to get
15 you all a contact list so you know who to contact
16 first.

17 DR. MUDD: That would really be
18 good.

19 MS. BATES: That way, you have
20 it all in one document. And that way, if you run
21 into issues to where you do call and you can't get a
22 resolution, then, that's when you go to the
23 Department and we take care of it.

24 There's no other way to say it.
25 We pay MCOs to do this and to help you all and, so,

1 they need to do that.

2 DR. MUDD: If we can get that
3 list together, that would be awesome. Thank you.

4 MR. POOLE: Stephanie, that
5 would be really, really helpful to everybody.

6 In a related topic, Matt, on
7 Number 6, if you just want to elaborate on your point
8 there.

9 MR. CARRICO: Well, it seems to
10 have resolved itself; but starting on February 1st, a
11 lot of pain medications, Hydrocodone, short-acting
12 opiates were not covered, and I was unaware of this.
13 Other pharmacies I spoke to were unaware of this
14 change. Patients were unaware of it. Doctors'
15 offices were unaware of it.

16 So, they were questioning if we
17 were right, and it created just pandemonium as you
18 might assume where people were just like, well, I
19 can't afford to pay for this or people getting mad at
20 staff or people crying.

21 I talked to Jessin and it looks
22 like it was some of the changes with the formulary
23 for fee-for-service. However, with that said, I went
24 back and looked at the customers that it affected
25 today before this call and re-ran it, and whatever

1 the issue was must have resolved itself because
2 everyone's prescriptions were covered as of today.
3 So, I'll give a lot of refunds out in the next couple
4 of days, but I guess this is taken care of at this
5 moment but it was an intense first week of February,
6 I can tell you that.

7 MS. STRAUB: This is Paula
8 again. I think it was just a coding issue and they
9 have resolved it. I think it was just a coding issue
10 that's been resolved.

11 MR. POOLE: Thanks, Paula.
12 Okay, Sharley, if you could move on down.

13 MS. HUGHES: That's it.

14 MR. POOLE: All right. If it's
15 okay with everyone, two committee members can work
16 together without a quorum.

17 So, these topics that we all
18 discussed that we need to do some more work on, I'm
19 going to send you all an email, and if you want to
20 volunteer - and, again, I just need two per topic -
21 and, then, if you could be our go-to person to get
22 some more personnel just like finding some more
23 resources for people who do sterile compounding, but
24 I think if we can get enough people involved with
25 each one of those, that it could make short work for

1 all of us.

2 And, then, of course, just send
3 me your work on it and I think we can get it done
4 without stressing too many people out to do several
5 of these topics.

6 Does anybody have anything else
7 to discuss that we hadn't with the agenda?

8 MS. SMITH: I think, Ron, there
9 was one thing we had on the agenda that didn't
10 populate, but we were going to maybe ask Jessin for
11 just a status on the methodology payments that we had
12 recommended.

13 MR. POOLE: Thank you for
14 reminding me of that. Do you have any update on
15 that, Jessin, our recommendation that was made for
16 the pricing methodology, payment methodology?

17 DR. JOSEPH: I don't have a
18 formal update. I think we're really close is the
19 easiest way I can put it.

20 And, again, just a reminder for
21 everyone, whatever the methodology is, we do have to
22 submit it to CMS for approval, make sure that it is a
23 regulation for the state. So, there should be I
24 believe from a regulation standpoint a feedback
25 period and all that.

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Again, I will let you know as soon as I can but we are very close.

MR. POOLE: As a footnote to that, Jessin, if they want to pay us more, we're okay with that.

DR. JOSEPH: I'll let them know.

MR. POOLE: Do I have a motion to adjourn?

MR. CARRICO: Ron, I make the motion to adjourn,.

MS. SMITH: Second.

MR. POOLE: Any further discussion? All those in favor, say aye. Thank you.

MEETING ADJOURNED